

DEPARTMENTAL COMMITTEE ON TAXATION  
AND REGULATION OF ROAD VEHICLES  
IN GREAT BRITAIN AND IRELAND.

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INTERIM REPORT.

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*Presented to Parliament by Command of His Majesty.*

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A Committee was appointed by the Minister of Transport to consider and report to him upon the question of the taxation of, and regulations affecting, Road Vehicles. The Committee was constituted as follows:—

Sir HENRY MAYBURY, K.C.M.G., C.B.	Director-General of Roads, Ministry of Transport (Chairman).
Sir GEORGE BEHARRELL, D.S.O.	Director-General of Finance and Statistics, Ministry of Transport.
Sir PHILIP NASH, K.C.M.G., C.B.	Director-General of Traffic, Ministry of Transport.
Sir THOMAS BERRIDGE, K.B.E.	Royal Automobile Club.
Mr. E. S. SHRAPNELL-SMITH, C.B.E.	Commercial Motor Users' Association.
Major STENSON COOKE	Automobile Association and Motor Union.
Mr. F. L. D. ELLIOTT, C.B.	Police Authorities.
Mr. C. W. TINDALL	Agriculture.
Sir HARCOURT CLARE	Local Authorities.
Mr. F. PICK	London and Provincial Omnibus Owners' Association.
Mr. W. REES JEFFREYS	Society of Motor Manufacturers and Traders.
Mr. W. H. PASCOE	Board of Customs and Excise.
Mr. J. S. WILLIAMS	Treasury.

Mr. J. S. POOL GONSELL, M.B.E., *Secretary*.

*The terms of reference were as follows:*

To enquire into and report as to the following matters in relation to the Regulation and Taxation of Road Vehicles.

- (1) Taxation and Revenue, including an expression of opinion as to the effect of the removal of the existing motor spirit duty on the price of petrol.
- (2) Registration and Licensing.
- (3) Design, construction and weight.
- (4) Identification.
- (5) Speed limits.
- (6) Roads:
  - (a) The effect of self-propelled traffic.
  - (b) The question of safety of other traffic.
  - (c) Application of section 20, Local Government (Emergency Provisions) Act, 1916.

An interim majority report, signed by 12 out of the 13 members, together with certain reservations, is set out in Appendix I.

A minority report by the remaining member is set out in Appendix II.

It will be observed from the majority report that the broad principles of the Committee's proposals are as follows:—

- (i) Abolition of the motor spirit duty.
- (ii) A new method of assessing the licence duty to be paid on mechanically propelled vehicles, viz.:—
  - (a) Motor cycles according to category.
  - (b) Private motor cars on horse-power.
  - (c) Commercial goods vehicles on unladen weight.
  - (d) Hackney vehicles on seating capacity.
  - (e) Other commercial and agricultural vehicles on unladen weight.

If a true comparison is to be drawn between the effects of the proposed and the existing methods of taxation both these principles must be borne in mind.

In the case of all motor vehicles, except those of private owners, the licence duty has hitherto been either nominal or non-existent.

As the average consumption of petrol remains fairly constant, and accurate accounts are kept by the proprietors, no difficulty should arise in working out the saving that would be effected by the abolition of the Motor Spirit duty and comparing this with the amount of the licence duty proposed to be imposed.

The case of privately-owned motor cars is different. The licence duty has been substantial, and as it is direct there is a tendency on the part of the owners to regard it as the only duty, and to over-look the amount paid indirectly on the petrol consumed. Hence the obvious comparison drawn will be between the existing and proposed licence duties, which appear to show a very large increase in the case of private cars. But this is fallacious, and in order to arrive at a proper comparison it is necessary to add to the existing licence duty the amount of duty paid on the petrol consumed (namely 6d. per gallon), and to set off against the proposed licence duties the saving that will be effected by the decrease of 7d. per gallon in the price of petrol consequent upon the abolition of the tax.

In order as far as possible to show the real effect of the proposed change in the case of private motor cars, a comparative table has been prepared by the Ministry of Transport, and is set out in Appendix III.

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## APPENDIX I.

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### DEPARTMENTAL COMMITTEE ON THE TAXATION AND REGULATION OF ROAD VEHICLES.

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#### INTERIM REPORT.

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##### AS TO TAXATION AND REVENUE.

To the Right Honourable Sir ERIC C. GEDDES, G.C.B., G.B.E., M.P., Minister  
of Transport.

SIR,

1. *Arrangement of Report.*—The Committee have now completed their investigations concerning the taxation of road vehicles, and have the honour to present this Interim Report, containing their conclusions and recommendations. The Report consists of three parts and an Appendix. Part I., "General Principles," contains the general views of the Committee upon this question of taxation. Part II., "Details of Proposals," deals with the basis and details of the Committee's proposals and the manner in which they recommend they should be carried into effect. Part III., "Scale of Duties," shows the rates of new licence duties recommended. The Appendix consists of a Budget showing the estimated receipts from the new duties, and the estimated immediate requirements of the Ministry of Transport for road purposes.

##### PART I.—GENERAL PRINCIPLES.

2. *Object to be attained.*—The problem before the Committee was the raising of an annual net revenue, provisionally estimated at 7,000,000L, which, after payment of the contemplated contributions by the Central Government towards the maintenance of the first and second class roads, would still leave in the hands of the Ministry of Transport a sufficient sum to enable a substantial measure of new road construction and road improvement to be undertaken forthwith.

3. *Revenue to be derived from Road Vehicles.*—This revenue was to be raised by taxation, direct or indirect, of road vehicles, and in particular of motor vehicles. Having regard to the bad state into which many roads have fallen during five years of war, and to the gain which must accrue to users of the roads if they are restored speedily, represented by a reduced cost of maintenance and a lessened wear of tyres, there is considerable inducement to such users to accept this in principle, especially as the Chancellor of the Exchequer finds himself at present unable to provide the money out of any other source of revenue. If roads are to be repaired and improved the users of the roads will have to make a large contribution. This was stated to be the position. It was also stated that the Chancellor considered that the Petrol Tax was not a satisfactory means of providing the revenue required.

4. The Committee recognise that in view of the financial needs of the country they cannot but acquiesce in the view expressed by the Chancellor of the Exchequer, although contrary to the true opinion of many of the members. These members think, that having regard to the importance of cheap transport facilities to the prosperous economic life of the people, it is unsound in principle to place any special tax upon transport agencies which in the nature of things must largely be passed

forward in higher rates of fare or charge. While, therefore, they realise the necessity for such a tax at this time to meet these urgent needs, they look forward to an opportunity of re-opening the whole question when conditions shall have improved. The Committee recommend that the whole question of the incidence of taxation in relation to transport facilities shall be reconsidered from the widest aspect at an early date. In this connection, the Committee would refer to the recommendations contained in paragraph 6 of the Report of the Departmental Committee on Road Locomotives and Heavy Motor Cars (Cd. 5 of 1918) that the increased cost of improving and maintaining roads should be equitably adjusted between the local rates, the National Exchequer, and the users of the roads.

5. Regard for the financial needs of the country similarly prevented the contemplation of any remission of existing taxation. On the contrary, the depreciated value of money, or conversely the enhanced expenditure on roads, called for additional taxation.

6. *Exchequer Grants.*—The Departmental Committee on Local Taxation, in their Report (Cd. 7315 of 1914) in proposing to abolish the assigned revenues system, recommended in effect (paragraph 156) that in lieu of the balance remaining available from the Exchequer contributions for highway purposes, Exchequer grants should be given in respect of first and second class roads. This recommendation only emphasises and confirms the principle adopted in the final Report of the Royal Commission on Local Taxation (Cd. 638 of 1901, page 29), to which the Government was intending to give effect by means of the Finance (No. 2) Bill, 1914 (Bill 251), which was only withdrawn by reason of the war. In a House of Commons paper (212/1914), ("Statements explaining the Proposals made by the Chancellor of the Exchequer in his Financial Statement on Monday, May 4th, 1914.") the amount of the proposed Exchequer Grants in the first complete year, 1915–16, to roads in England and Wales, was estimated by the Treasury at 2,480,000*l.* If that Bill had become law, the contribution from the National Exchequer, without additional motor taxation, would now have been in excess of 5,000,000*l.* per annum.

Under the proposals now recommended the whole of the increased contributions towards roads will be borne by the owners of mechanically-propelled vehicles, and not by grants from the Exchequer. The Committee desire to emphasise the fact that they consider this should only be regarded as a temporary arrangement due to immediate necessity to provide monies for roads and to the existing financial conditions, and that at the earliest opportunity the Exchequer should provide out of general funds a fair and just proportion of highway expenses, whether under the assigned revenues system or under any modification of such system that may be adopted by the Legislature in the future.

7. The charges, imperial and local, on motor vehicles are various. There are registration fees, licence duties on motor cars and special licence duties for hackney carriages, as well as other special fees for road locomotives. In addition, and constituting the principal source of revenue, there is the motor spirit duty levied on imported petrol.

8. *Objections to Motor Spirit Duty.*—The burden of this report turns upon the retention of this motor spirit duty or the substitution of some alternative means of taxation for it. The Committee have had the advantage of learning from the Customs Authorities the practical and growing difficulties connected with the collection of this duty and the allowance of rebates. These appear to fall under three heads:—

(a) *Practical Operation*, by reason of the difficulty of collection occasioned by the system of rebates.

(b) *Principle*, by reason of its failure to cover all liquid fuels used for mechanical traction.

(c) *Scope*, by reason of its application to imported fuel only.

9. The Committee were predisposed to the opinion that these defects might have been largely remedied by the withdrawal of rebates in favour of a flat rate of motor spirit duty with a revised schedule of licence duties, by the establishment of special surcharge licence duties for those forms of mechanical traction not dependent upon petrol, and by the reimposition of an excise duty on home produced fuel.

10. The Committee realise, however, that the objections in principle to the continuation of the petrol tax will rapidly grow more apparent, and although there

is not general agreement by all the members of the Committee that the practical difficulties are such as to justify the immediate withdrawal of the tax, yet there is general agreement that the time will come, at no distant date, when it will be a physical impossibility to impose a tax upon motor spirit used for internal combustion engines which is not also applicable to a variety of industrial and domestic purposes. The evidence of the Deputy Government Chemist, with which independent expert opinion was in agreement, appeared conclusive upon this point. The Committee have been advised that the consideration of the only alternative open to them in this connection, namely the imposition of a graduated duty upon all imported hydrocarbons and carbohydrates, is not within the scope of their reference.

11. *Effect on Price of Withdrawal of Motor Spirit Duty.*—The Committee have considered what effect the withdrawal of the motor spirit duty would have on the price to be charged by the supplier to the user. The Chairman having consulted the Petrol Companies, has an assurance from them that if the duty of 6d. be taken off they will immediately reduce the price to the public by 7d., the additional 1d. representing consequential savings resulting to the suppliers. There is, however, no guarantee that the price would not speedily rise again. In this event, the substitution of alternative means of taxation would have the appearance of an additional burden upon petrol users, but it is submitted that this would be appearance only, for the real cause of the rise in price could not be other than a corresponding rise in the wholesale price, or in the cost of freightage and distribution, all of which include profits. The petrol duty is not in itself a determining factor, except in so far as its inclusion in the price results in additional interest and commission charges which the suppliers pass on to the consumers. The duty is levied per gallon, and the commodity is bought per gallon, so that there is no adjustment of duty to be made.

The price of petrol to-day is governed solely by demand, which has outrun supplies. The market is a closed one in that there is an absence of effective competition. The effect of competition would not, however, be to make the suppliers pay the duty, but could only be to induce the suppliers to take a lower rate of profit.

For the reasons stated above and elsewhere in this Report, the Committee regret that they are in disagreement with the following extract from the Report of the Central Committee on Motor Fuel under the Profiteering Act, 1919 (Cd. 597):—

"We have considered the effect of the present import duty upon the price of petrol, and we are of opinion that, under existing circumstances, users of petrol in this country would not be likely to obtain the full benefit of a remission or reduction of this duty. So long as any special taxation is thought necessary in the case of motor cars we consider a tax on motor fuel to be more equitable than a tax on cars."

12. At the same time, the Committee feel it incumbent upon them expressly to record their view that the adoption of a substituted means of taxation for the motor spirit duty should be concurrent with the adoption of State policy with regard to petrol supplies first, and petrol prices second, which will secure to users petrol in adequate quantities on the most favourable terms possible in relation to current world price, controlling all such elements in the price as come within the range of Government action. They recognise that the price of petrol is not susceptible to complete control by any Government Authority, and think that the most ready means to ensure a satisfactory fuel position would be for His Majesty's Government to encourage in every practical manner the production and use of alternative motor fuels, and the development of home and empire produced petrol, benzole, and power alcohol. Unless such action be taken forthwith they fear that the combined effect of additional taxation and rising prices of motor spirit will impose so great a burden on mechanical road transport that it will have a most serious effect on the industry, restricting its usefulness by increasing still further the cost of transport and agricultural operations.

13. *Reasons for Committee's Recommendations.*—It is only proper to state that a majority of members of the Committee approached the inquiry with a belief that a system of motor fuel duties would prove to be the only fair one by reason of its being an approximate measure of the user of the road by any motor vehicle, but as investigation proceeded most of the members representative of motor interests were gradually—if reluctantly—convinced that the anomalies under any such system of duties must, in the near future, become more numerous and serious than any which are anticipated.

under a single tax system based on the vehicle, such as is recommended in paragraph 17.

14. The principal advantages of a system of motor fuel duties are that the charge (a) is approximately proportionate to the user of the motor vehicle consuming dutiable fuel, (b) is payable by small instalments, and (c) affords protection to home produced motor fuels. Its obvious disadvantages are (a) that users for traction purposes of paraffin, benzole, shale spirit, gas and other substitutes escape taxation, (b) that fraudulent practices over rebates are difficult to detect, and (c) that the Road Fund is inevitably deprived of an increasing proportion of income that should accrue.

15. The principal advantages of a single tax system based upon an agreed classification of mechanically-propelled vehicles are that it is (a) clear in its incidence, (b) applicable to all types of vehicle, and (c) difficult of evasion. The obvious disadvantage is that the lower the annual mileage, the more the taxation cost per mile, but a scheme of quarterly licences has been devised which will largely meet this objection where seasonal causes govern the mileage run.

16. The Committee considered numerous other suggested bases of taxation. The only one which showed any prospect of providing a possible solution was a tax on tyres. After careful investigation they were forced to the conclusion that such a tax was impracticable, and that a single tax based on the vehicle is the only feasible alternative to a motor fuel tax.

17. *Vehicle Duty adopted.*—The Committee accordingly recommend the adoption of a single tax based on the vehicle in accordance with the scale of duties set out in Part III.

18. *Bases of Assessment of Vehicles to Duty.*—The rates of duty shown as applicable to the various types of vehicle are considered to represent as fair a division of the burden as the Committee can devise. Any departure from the general level of rates for one class or type would necessarily involve corresponding adjustments in the rates for other classes or types. It will be observed that the main features on which the duty is based are as follows:—

<i>Vehicles.</i>	<i>Basis of Assessment.</i>
(a) Motor Cycles &c.	Category.
(b) Private Motor Cars	Horse Power.
(c) Hackney Motor Vehicles	Passenger Seating capacity.
(d) Commercial Goods Vehicles	Unladen Weight.

19. The Committee have adopted three categories of motor cycles, with a maximum unladen weight limit of 7 cwt., and have placed the respective duties at the lowest annual rates of duty that appeared feasible in view of the difficulties of making provision for the issue of quarterly licences for motor cycles.

20. With regard to the horse power basis for private cars, the Committee do not recommend any alteration in the existing Treasury (R.A.C.) rating, but it will be observed that the scale now proposed is much more finely graduated than that at present in force. Having regard to the refund hereinafter recommended (paragraph 25) in respect of old engines, and the proposals to issue quarterly licences and to permit licences to be transferred with the vehicle, it is considered that this scale is as equitable a one as the Committee can devise.

21. In the case of hackney vehicles, it is felt that seating accommodation provides a fair basis for taxation. In this connection it must be also borne in mind that two scales are recommended, one for thickly populated districts where a heavier passenger traffic and a more frequent use of the vehicle exist, and the other for less densely populated areas.

22. As to commercial goods vehicles, unladen weight is the fairest indication of load capacity and consequent demands upon the roads, and such vehicles are, therefore, more highly rated per ton than if the basis were declared or estimated total weight of the vehicle and its load.

23. *Rebates.*—Careful consideration has been given to a number of suggestions and applications that have been made with regard to rebates to certain classes of user, similar in character to the rebate now granted to Medical Practitioners. These included not only Medical Practitioners and Veterinary Surgeons, but Clergymen, Road Surveyors,

Commercial Travellers, and Relieving Officers. The Committee are unable to recommend any such rebates, and consider the principle involved an undesirable one. The real ground of these applications is, that the cars are used for professional or business purposes, and admittedly they are so used extensively. When owners of commercial vehicles were entitled to a rebate from the petrol duty, there were grounds for considering rebates for those owners of private motor cars which were largely used for professional and business purposes. Now that the principle of rebate has been abandoned by the Committee in respect of commercial vehicles, no argument can be advanced for continuing rebates in respect of particular classes of private motor cars, nor, under the scale of duties set out in Part III., would the transference of such private motor cars to the commercial class ordinarily afford any advantage to their owners.

24. While the Committee are opposed in principle to rebates, there is one case, namely that of private cars, the engines of which were constructed prior to 1913, for which they recommend an allowance of 25 per cent. The rating of these engines according to the Treasury (R. A. C.) formula is considerably higher than that of a modern car developing the same horse power and the tax would, therefore, be correspondingly high. This concession is considered expedient in order not to hamper the continued use of cars of obsolete types at a time when the supply of new cars is not equal to the demand.

25. *Bases of the proposed Duties.*—The Committee, in recommending the single tax system as the alternative to a fuel tax, consider that—

(a) the entire proceeds (less the costs of levying and collecting) should be devoted to maintenance, improvement and construction of roads and bridges;

(b) it should be the sole tax or levy for imperial or local purposes to be imposed on the use of mechanically-propelled road vehicles.

As to (a), they received the assurance of their Chairman that this is in accordance with the policy of the Government, except as regards the payment of the 600,000*l.* now guaranteed annually to the local authorities in lieu of the proceeds of the carriage licence duties in the standard year (1908-9). The Committee feel that this sum of 600,000*l.*, which is paid to the local authorities not for roads but for general purposes, ought not to be borne by the Road Fund if it can be provided from any other source. If it is not possible to do this at present, they recommend that the matter should be adjusted, without prejudice to the local authorities, on the next occasion when the Imperial subventions to these authorities are revised.

With regard to (b), the Committee assume that the tax on fuel used by mechanically-propelled vehicles will be abolished, and they recommend that in respect of such vehicles all payments to local or police authorities for registration or for licensing as hackney vehicles should be included in the new duties when they come into force, the costs incurred by local or police authorities in connection with the registration and licensing and supervision as hackney vehicles being borne by the Road Fund. On this point the Committee wish to make it clear that the rates of new licence duties set out in Part III. have been settled on this basis and accordingly will require revision if any other charges, duties, or fees should be payable.

26. *Position of Motor Omnibus Undertakings.*—The Committee desire to draw attention to the fact that at the present time a number of statutory and private omnibus undertakings are paying or being pressed to pay to road authorities sums of money in respect of maintenance and adaptation of roads over which they run their buses, and to point out that, in their opinion, if a scheme of taxation as recommended in this report is adopted, such demands and payments should cease, unless the circumstances involve abnormal costs.

27. *Power Alcohol.*—The Inter-Departmental Committee on various matters concerning the Production and Utilisation of Alcohol for Power and Traction Purposes (Cd. 213 of 1919) recommended that—

“having regard to the exemption of home produced benzole and shale motor spirit from the motor spirit tax (Excise), power alcohol, when produced in the United Kingdom, be correspondingly exempted, and that, having regard to the scope for earlier large production in the Empire overseas, importation of power alcohol be permitted free of duty.”

The Committee are of opinion that, in the event of any duty or excise being charged for administrative or fiscal reasons on power alcohol or other new motor fuel or

mixtures thereof used for road traction purposes, such duty or excise shall be recoverable in full by any consumer who has paid the statutory vehicle duty.

28. *Revision of Rates of Duty.*—As previously stated, the new scale of duties is devised to provide monies required for roads. These requirements will vary, and, in the absence of practical experience, it is difficult to estimate accurately either the financial results of such taxation or the rate at which it will increase with the development of motor road traffic, or, on the other hand, the total amounts which will be required for the roads from year to year. Under these circumstances the Committee consider that the proposed scale cannot be regarded as permanently fixed, but should be subject to annual revision, and they recommend that to enable this to be done satisfactorily, a small Committee should be appointed under the Ministry of Transport (on which the different road traffic interests should be represented) to take into consideration the requirements of the roads and to report annually as to the revision, if any, which may be desirable. The same Committee, with suitable representation, could act in an advisory capacity with regard to the levying and collection of the duties as set out in Part II.

29. *Carriage Licences and Motor Drivers' Licences.*—There are three items which are not taxes on mechanically-propelled vehicles, namely:—

- (a) Carriage duties upon horse-drawn vehicles.
- (b) Fees for motor drivers' licences.
- (c) Penalties to be recovered for keeping vehicles without proper licences.

As to (a), no change in the present rate of tax is recommended.

With regard to (b) and (c), these sums are at present received and retained by the Local Authorities, but it is recommended that they should, in future, form part of the monies to be made available for roads, and that the whole costs incurred in connection with the issue of the licences and the recovery of the penalties be treated as part of the general costs of collection and paid out of the Road Fund.

30. *Legislation.*—The Committee recognise that, to give effect to some of their recommendations, new legislation will be necessary, and they propose to address themselves to this subject immediately and make recommendations thereon.

31. *Date from which recommendations should take effect.*—The Committee are of the opinion that a convenient and, in fact, the only practicable date for bringing the new scheme of duties into operation is 1st January, 1921. In addition to administrative difficulties, as the single tax compounds the petrol duties and the existing carriage duties, it obviously would be inequitable to introduce the new scheme during the course of the present calendar year, during some months of which the petrol duties have been paid, and in respect of which licences for private motor cars and cycles have already been taken out. Moreover, it is desirable in present circumstances, that owners of mechanically-propelled vehicles should have adequate notice of the change in the system of taxation.

32. *Summary of Recommendations.*—The following is a summary of the recommendations contained in this part of the Committee's Report with regard to the proposed single tax system.

(a) that a single tax based on the vehicle in accordance with the scale of duties set out in Part III. be adopted (para. 17).

(b) that the principle involved in the allowance of rebates is an undesirable one, and should not be continued (para. 23) except in the case of private cars, the engines of which were constructed prior to 1913, in respect of which there should be an allowance of 25 per cent. (para. 24).

(c) that the entire proceeds of the proposed single tax system (less certain expenses and payments to Local Authorities) should be devoted to maintenance, improvement, and construction of roads and bridges (para. 25).

(d) that the proposed single tax should be the sole tax or levy for imperial or local purposes to be imposed on the use of mechanically propelled road vehicles (para. 25).

(e) that all payments to local or police authorities, for registration of vehicles, and the licensing of hackney vehicles, should be included in the new duties when they come into force, the costs incurred by Local or Police Authorities in connection with registration and licensing and supervision as Hackney Vehicles being borne by the Road Fund (para. 25).



(f) that, if the scheme of taxation is adopted, no further payments should be made to road authorities by statutory and private omnibus undertakings in respect of maintenance and adaptation of roads over which buses run, unless the circumstances involve abnormal costs (para. 26).

(g) that in the event of any duty or excise being charged for administrative or fiscal reasons on power alcohol or other new motor fuel or mixtures thereof used for road traction purposes, such duty or excise shall be recoverable in full by any consumer who has paid the statutory vehicle duty (para. 27).

(h) that a small Committee be appointed under the Ministry of Transport to report annually as to the revision, if any, which may be desirable in the proposed scale of duties and to act in an advisory capacity with regard to the levying and collection of the duties (para. 28).

(i) that fees for motor drivers' licences, and any penalties recovered for keeping vehicles without proper licences should form part of the monies to be made available for roads, and that the whole costs incurred in connection with the issue of the licences and the recovery of the penalties be treated as part of the general costs of collection and paid out of the Road Fund (para. 29).

(j) that the proposed new duties should come into force on 1st January, 1921 (para. 31).

33. *Conclusion.*—In conclusion the Committee feel that this Report would be incomplete without a reference to the invaluable assistance they have received from Mr. W. Rees Jeffreys. At every stage of their Inquiry he has placed his great knowledge of this difficult subject unreservedly at the Committee's disposal regardless of time or trouble, and has attended Meetings in opposition to the advice of his medical advisers. The Committee also desire to record their indebtedness to:—

Mr. F. H. OWERS, the County Accountant of Essex.

Mr. A. COLLINS, the City Treasurer of Birmingham.

Mr. F. N. SMITH, of the General Post Office, and

Mr. E. A. LIDBURY, of the Customs and Excise Department.

These gentlemen, at the request of the Committee, have advised them as to the practical administrative difficulties likely to arise in the carrying out of various suggested schemes and as to the best methods to adopt to facilitate smooth administration. Their practical knowledge of the present method of licensing and registration has rendered their advice invaluable.

## PART II.—DETAILS OF PROPOSALS.

1. *Basis of New Scheme.*—It is considered that any new scheme of taxation should embody as far as possible the following principles:—

(a) The system adopted for the levying and collection of the duties should be the same for the whole of the United Kingdom.

(b) The County Councils and County Borough Councils with the co-operation and assistance of the Post Office should be the authorities to undertake the actual levying and collection.

(c) Licensing and Registration should be combined, and the new scale of duties should include all registration fees.

(d) The costs incurred in connection with levying and collecting the duties by the Local Authorities and Post Office, together with the cost of registration, should be defrayed out of the proceeds of the duties.

(e) As the principle has been conceded that the whole proceeds of such taxes, including the proceeds of motor drivers' licences, subject at present to the deduction of certain prior charges, shall be devoted to road maintenance and construction, the Ministry of Transport should be the Government Department responsible for the supervision of the levying and collection.

(f) It should provide so far as possible for easy and automatic levying combined with a small cost and the minimum of inconvenience to the motoring community.

2. *Details of the Proposed Scheme.*—The details of the scheme now recommended as complying with the principles set out in the above paragraph are:—

(a) The duties throughout the United Kingdom to be levied and collected by the County Councils, County Borough Councils, and the Post Office

(b) The issue of fixed yearly licences expiring on the 31st December in each year for motor cycles (licences for the last quarter to continue to be one half the full annual rate) and also for vehicles paying a nominal duty of 5s.

(c) The issue of fixed yearly and fixed quarterly licences on payment of a premium of 20 per cent. above one quarter of the yearly tax, in respect of all other mechanically-propelled vehicles (excluding tramcars). Yearly licences to expire on the 31st December, and quarterly licences to expire on the 31st March, 30th June, 30th September, and 31st December.

(d) First licences in respect of all motor vehicles to be taken out with the Local Authority in whose area the vehicle is kept, who will issue to the licensee:—

(1) The licence, to be a card of a distinctive colour, which will indicate thereby when it expires, and to contain necessary particulars as to the name and address of the owner, registration number, horse power, unladen weight or seating capacity of the vehicle, and the amount of duty payable.

(2) A book, somewhat on the lines of a Post Office Savings Book, containing full particulars in detail with regard to the vehicle and the name and address of the licensee, and particulars of registration.

(e) The licence to be always carried on the vehicle in a conspicuous place where it can be seen by any passenger or when the vehicle is stationary by any police or taxation officer, and to be protected against damage by rain or other causes.

(f) First licences to be renewable at any authorised Post Office on production of the expiring licence and the book. The Post Office to issue a fresh card and enter in the book the date of renewal and amount paid, and to notify the Local Authority of such renewal.

(g) If the licence is not renewed, the book and card must be forthwith surrendered to the Local Authority by whom they were issued.

(h) If the vehicle is transferred, any current licence may be transferred with it, but the next licence must be taken out with the appropriate Local Authority who will re-register and issue a new book.

(i) Changes of address of the owner to be notified to the Local Authority by whom the current licence was issued. If in consequence of any such change of address the vehicle is to be kept in the area of another Local Authority, the next renewal of the licence must be made with the latter Local Authority who will re-register and issue a new book.

(j) An owner of a private car who proves to the satisfaction of the Local Authority that the engine of such car was constructed prior to 1st January, 1913, to be entitled to a refund of 25 per cent. of all duties paid thereon from the date when the new duties come into force.

*Observations on the application of the principles enumerated in paragraph 1 to details of the Scheme set out in paragraph 2.*

1. *As to (a) and (b). Uniformity of Levying and Collecting.*—The existing duties are now levied by the County Councils and County Borough Councils in England, Wales, and Ireland, but by the Customs and Excise in Scotland, the licences being issued through the Post Office, though in Scotland they are issued by the Customs and Excise officials also.

The proposed transfer of the existing duties of the Customs and Excise officials to the County Councils and County Borough Councils in Scotland, would lead to uniformity throughout the United Kingdom.

2. *As to (c). Combining of Registration and Licensing and abolition of Registration Fees.*—The present system of registration has been found quite unsatisfactory in practice. Further, it causes considerable inconvenience to the owners of mechanically propelled vehicles, as they have to register with the Local Authorities, and take their licences out at the Post Office. The combining of registration and licensing into one process would enable an efficient system of registration to be devised and avoid the existing inconvenience to the motoring community. The new scale of duties has been settled on the basis that it is to cover all taxes, charges, and fees to be paid in respect of mechanically-propelled vehicles, including the fees now payable in respect of registration. The combining of licensing and registration, and abolition of the present registration fees, will require further legislation.

3. *As to (d). Costs of Levy and Collection, &c.*—At the present time the Local Authorities in England and Wales receive a fixed grant towards the cost of collection which is entirely inadequate, with the result that the more efficiently an authority performs its duties the greater the loss it sustains. In Ireland the Local Authorities receive 5 per cent. of the duties collected. The whole costs should be paid out of the proceeds of the tax. These are estimated at 300,000*l.* per annum, but may exceed this sum. Further, all costs incurred in connection with registration, the licensing of hackney vehicles, and the issue of motor drivers' licences should be similarly borne.

4. *As to (e). Duties of Ministry of Transport.*—As the proceeds of the duties are to form a Road Fund, it is considered to be desirable that the responsibility for the supervision of the levying and collection of these duties should be vested in the Minister of Transport, and that to assist him to carry out these duties, a small standing Advisory Committee (to include representatives of the Local Authorities) should be appointed by the Minister so as to ensure efficiency and uniformity throughout the United Kingdom.

5. *As to (f). Advantages of Scheme.*—Under the scheme proposed, no vehicle can be on the road, unless a licence is in force for it, without the fact being advertised by its not carrying the proper card. This will render evasions very difficult, and thereby reduce the costs of levying and collecting. The convenience to the public of being able to obtain licences at Post Offices is retained, so far as renewals are concerned, thereby also widely distributing the large amount of work which will have to be done consequent upon the addition of licensing of commercial vehicles, and the introduction of quarterly licences. The owner of a vehicle avoids the trouble of separate registration, and the registration system will become efficient. Further it is hoped that the scheme may be adapted so as to check the traffic in stolen motor vehicles.

#### *General Observations.*

Many suggestions and recommendations were considered before the present scheme was adopted, including—

- (a) The issue of moveable quarterly licences;
- (b) The issue of quarterly licences for motor cycles;
- (c) The issue of yearly licences with a surrender value in respect of the period unexpired at the date of surrender;
- (d) A system whereby licensees made deposits on first taking out licences; such deposits to be forfeited on breach of the regulations;
- (e) The allowance of a discount or discounts to private owners who take out licences for more than one car.

Whilst many of these suggested systems presented attractive features, it was found to be impracticable to incorporate any of them because they are opposed to the fundamental principles of taxation, or involve insuperable administrative difficulties, or are in fact of no material advantage to the motor vehicle owner.

#### **PART III.—SCALE OF DUTIES.**

*Scheme of Taxation in respect of Road Vehicles to provide Revenue for State Contribution towards the Cost of Road Maintenance and Improvement under Section 17(2) of the Ministry of Transport Act, October 1919.*

*General Notes applicable to the whole Scheme.*

- (1) All licences to expire on fixed dates: Yearly Licences on the 31st December, and Quarterly Licences on the 31st March, 30th June, 30th September, and 31st December.
- (2) A vehicle used for different purposes shall be liable to duty at the highest rate payable for any of the purposes for which it is at any time used during the current licence period.
- (3) Fees now charged by Local Authorities on registration and transfer of vehicles to cease to be payable.
- (4) The "Rate Suggested" below is the full annual rate.

**I.—Motor Cycles (Private and Commercial).** (Not exceeding 7 cwt. unladen.)

Class.	Rate Suggested.
Motor cycles (including motor scooters and other motor assisted cycles) up to and including 200 lbs. in weight	£ s. d. 1 10 0
Motor cycles (including motor scooters and other motor assisted cycles) over 200 lbs. in weight	3 0 0
All motor cycles with right to draw trailer, or side car	4 0 0
Other motor three wheelers (excluding electrically or mechanically propelled bath chairs, or other vehicles for invalids not exceeding 5 cwt. in weight inclusive of any batteries)	4 0 0

NOTE.—The above are annual licences, with a reduction of 50 per cent. if the licence is taken out in the last quarter. This involves no change from the existing system with regard to private motor cycles.

**II.—Motor Bath Chairs and other Motor Vehicles for Invalids.**

	£ s. d.
Electrically or mechanically propelled bath chairs or other vehicles for invalids not exceeding 5 cwt. in weight inclusive of any batteries	0 5 0

NOTE.—Annual licences only.

**III.—Private Vehicles (including three wheelers weighing 7 cwt. or over unladen).**

Class.	Rate Suggested.
Motor Cars	1l. per unit of H.P. with minimum of 6l.

**NOTES—**

- (1) Electrically propelled private cars to pay only the minimum rate of 6l.
- (2) Owners of private motor cars (not including motor cycles) who are able to satisfy the Local Authority within whose area they reside that the engine of any such car, in respect of which they have obtained a licence, was constructed prior to 1st January, 1913, to be entitled, as from the date when this scale of duties comes into force, to obtain a rebate of 25 per cent. of the actual duty so paid.
- (3) Quarterly licences to be permitted on payment of 20 per cent. above one fourth of the annual duty.
- (4) The present regulations exempting from duty cars of foreign visitors brought into this country for a period not exceeding four months to remain in force.

**IV.—Hackney Vehicles.**

Class.	In Metropolitan Area and such other districts as Minister of Transport may define.	In other districts.
(A) Tramcars.		
To be chargeable as hackney carriages as at present	15s.	15s.
(B) Other Hackney Vehicles.		
Seating capacity, 1-5	£ 15	£ 12
" " 6-14	30	24
" " 15-20	45	36
" " 21-26	60	48
" " 27-32	72	60
" " Over 32	84	70

## NOTES :—

(1) Trackless trolley vehicles to be chargeable to duty as motor omnibuses :

(2) Quarterly licences to be permitted (except for tramcars) on payment of 20 per cent. above one fourth of the annual duty.

(3) Tramcars.—A reduction of 50 per cent. if licence taken out in the last quarter. Licensing fees as hackney vehicles to be paid as at present.

V.—*Commercial Goods Vehicles (including three wheelers weighing 7 cwt. or over unladen).*

Class.	Rate Suggested.
	£
Not exceeding 12 cwt. unladen weight - - -	10
Exceeding 12 cwt. but not exceeding 1 ton unladen weight - -	16
Exceeding 1 ton, but not exceeding 2 tons unladen weight - -	21
Exceeding 2 tons, but not exceeding 3 tons unladen weight - -	25
Exceeding 3 tons, but not exceeding 4 tons unladen weight - -	28
Over 4 tons unladen weight - - -	30
Any of the foregoing with the right to draw trailer - - -	2
	(additional)

## NOTES :—

(1) In ascertaining the unladen weight of electrically propelled vehicles, the weight of the accumulators is to be excluded.

(2) Quarterly licences to be permitted on payment of 20 per cent. above one fourth of the annual duty.

VI.—*Other Commercial and Agricultural Vehicles.*

Class.	Rate Suggested.
	£
*Motor Tractors (classed as heavy motor cars) - - -	21
*†Road Locomotives and Agricultural Engines :	
Not exceeding 8 tons unladen weight - - -	25
Exceeding 8 tons, but not exceeding 12 tons unladen weight - -	28
Exceeding 12 tons unladen weight - - -	30
*†Agricultural Tractors used on roads for haulage solely in connection with agriculture :	
Exceeding 2½ tons, but not exceeding 5 tons unladen weight - -	6
Exceeding 5 tons - - -	10

A "Tractor" means a mechanically or electrically propelled engine which draws but does not itself carry any load except such as is necessary for its propulsion and equipment.

Quarterly licences to be permitted on payment of 20 per cent., above one-fourth of the annual duty, except in respect of vehicles only liable to duty at 5s.

\* Inclusive of the legally permitted trailers.

† Locomotive ploughing engines, agricultural tractors not exceeding 5 tons unladen weight, or other agricultural engines, drawing necessary gear, threshing appliances, farming implements or supplies of fuel or water, shall pay a duty of 5s. per annum only, if not used on roads for other haulage work.

VII.—*Other Licences.*

	<u>Class.</u>	<u>Rate Suggested.</u>
Driving licences	-	5s.
Horse Carriage licences <sup>*</sup> (including Hackney Carriages)	-	As at present

(Signed) HENRY P. MAYBURY (*Chairman*).  
 J. GEORGE BEHARRELL.  
 T. H. D. BERRIDGE.  
 HARCOURT E. CLARE.  
 FRANK ELLIOTT.  
 W. REES JEFFREYS.  
 P. A. M. NASH.  
 W. H. PASCOE.  
 FRANK PICK.  
 E. S. SHRAPNELL SMITH.  
 C. W. TINDALL.  
 J. S. WILLIAMS.

J. S. POOL GODSELL (*Secretary*).  
 31st March 1920.

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<sup>\*</sup> Licensing fees as hackney vehicles to be paid as at present.

## NOTE BY SIR THOMAS BERRIDGE.

With some reluctance I have signed this Report as setting forth a method for dealing with what is really an emergency situation. I am still of opinion that the method of taxation proportionate to user, by means of a tax on liquid fuel, is by far the fairest and best, and notwithstanding all the difficulties which exist, this method of taxation should in my opinion be further examined. Inasmuch as the proposed single tax cannot come into operation until 1921, it is in my opinion desirable that the petrol duties should be continued until the end of the present year, the proceeds being restored for Road purposes, but that all rebates should be abolished.

(Signed) T. H. D. BERRIDGE.

31st March, 1920.

## RIDER BY MR. W. REES JEFFREYS.

I have signed this Report subject to the reservations set out in Part I., but recommend the following modifications of detail which would in my view, and for the reasons explained, make the proposals more equitable and more generally acceptable.

## RATE PER UNIT OF HORSE POWER.

(1) As a temporary measure and for the following reasons that the rate proposed for private motor vehicles be reduced from 1*l.* to 15*s.* per unit of H.P. for the first year of the operation of the new scale of taxation.

Since the rates mentioned as proposed to be applicable to private motor cars, hackney vehicles, and commercial goods vehicles were originally formulated the prices of motor spirit have advanced by over 20 per cent. While in the case of commercial and hackney vehicles the increased running costs can, in the main, be passed forward to the consuming public, there is no such possibility in the case of the private motor vehicle the owner of which has not only to bear the high initial outlay which is to some extent maintained by the import duties applicable to private motor vehicles, but must face himself the burden of heavy running costs.

The result of a rate of taxation as high as 1*l.* per unit of H.P. combined with existing prices of motor spirit and initial cost will restrict the use of private motor vehicles, and this restriction will in turn react seriously on the British manufacturing industry which has laid itself out for large production.

It is hoped that in the course of two years prices will be more normal but until such conditions are resumed some consideration should be given to the private owner and the British manufacturer and trader.

The Committee of Revision proposed in paragraph 28 of the Report can of course at any time advise an increase of the duty or on the other hand if the total yield of the taxation is greater than is anticipated, they can recommend the continuance of the lower rate and extend a similar reduction to the rates applicable to hackney and commercial vehicles.

## PETROL TAX. (May–December, 1920.)

(2) That from the date of the Budget Resolutions in 1920 until 31st December 1920, a flat rate of 4½*d.* per gallon shall be imposed on all imported motor spirits and that the system of rebates so far as motor vehicles are concerned shall be abolished.

The abolition of rebates will go a long way to meet the official objections to the petrol tax and reduce the cost and labour of collection. Further a flat rate of 4½*d.* a gallon for the remainder of the current calendar year will anticipate by a few months one of the objects of the new scale contained in this Report, viz., to divide the burden of the taxation more equitably than at present between the owners of private vehicles and the owners of commercial and public service vehicles on whose account the more costly works of road reconstruction are required. Incidentally the price of commercial motor vehicles has not been affected by reason of the operation of an import duty.

(Signed) W. REES JEFFREYS.

## RESERVATION BY MR. J. S. WILLIAMS.

I have signed the Report, with which I am in general agreement, subject to the following comments :—

(1) The principle that all forms of road transport should make substantial contributions towards maintenance and improvement is, in my opinion, sound, and its application should not be limited to the period of existing financial conditions.

(2) If the Imperial Subventions to Local Authorities are to be reviewed in the future, I consider that any readjustment of the 600,000*l.*, guaranteed to the Local Authorities in lieu of the proceeds of the carriage licence duties in the standard year 1908-9, should not have the result of a charge against the Exchequer.

(3) I consider that the expenditure of the Road Fund, from year to year, should be kept within the income which will ensure to the Road Fund if the recommendations of the Committee are adopted.

(4) The Establishment costs of the Roads Department of the Ministry of Transport should, in my opinion, be charged against the Road Fund. This was the procedure in the case of the Road Board, as provided in section 12 of the Development and Road Improvement Funds Act, 1909.

(Signed) J. S. WILLIAMS.

## APPENDIX.

## ESTIMATED BUDGET.

## PART I.

Estimated proceeds in round figures of the new rates of duty recommended.

*England and Wales.*

<i>Mechanically Propelled Vehicles.</i>	<i>Number.</i>	<i>Revenue.</i>
		<i>£.</i>
1. Cycles - - - - -	365,000	850,000
2. Private Cars - - - - -	210,000	3,300,000
3. Hackney Vehicles - - - - -	70,000	1,125,000
4. Commercial Goods Vehicles - - - - -	100,000	2,100,000
5. Other Commercial and Agricultural Vehicles - - - - -	7,500	110,000
<i>Other Licences.</i>		
Horse Carriage and Motor Drivers' Licences - - - - -		450,000
		8,025,000
	$\frac{1}{2}$ for Scotland and Ireland	1,000,000
		9,025,000
<i>Less Prior Charges.</i>		<i>£</i>
1. Costs of Collection - - - - -	300,000	
To be paid to Local Authorities in lieu of Carriage Licences - - - - -	600,000	
		500,000
Estimated Net proceeds :		<u>£8,125,000</u>

## NOTES.

(1) The numbers of vehicles have been estimated as at midsummer 1920.

(2) The figures in this part of the Appendix are the best available but are believed to be conservative.

(3) In the figures under "Revenue" allowance has been made for quarterly licences where permitted, and for the rebate in respect of old private cars.



## PART II.

## ESTIMATED EXPENDITURE REQUIRED FOR CLASSIFICATION AND IMPROVEMENT PURPOSES.

Total Estimated Expenditure made up as follows	-	-	-	-	-	-	-	£.
Cost of Contributions under classification :—								8,182,500
<i>England and Wales.</i>							£	
1st class	-	-	-	-	-	-	-	3,760,000
2nd class	-	-	-	-	-	-	-	940,000
<i>Scotland.</i>								
1st class	-	-	-	-	-	-	-	306,000
2nd class	-	-	-	-	-	-	-	76,500
<i>Ireland.</i>								
1st class	-	-	-	-	-	-	-	400,000
2nd class	-	-	-	-	-	-	-	100,000
<i>County and Metropolitan Boroughs.</i>								
1st and 2nd class	-	-	-	-	-	-	-	1,000,000
								<u>6,582,500</u>
Provision towards cost of Administration Expenses as provided for in								1,600,000
Sub-Section 2 of Section 17 of the Ministry of Transport Act, 1919								<u>350,000</u>
								<u>Balance available for improvements</u> £1,250,000

## NOTES.

(1) The item for administration is an addition of approximately  $4\frac{1}{2}$  per cent. on the actual expenses to be incurred to ensure adequate supervision of the expenditure.

(2) The capital sum actually required now for improvements is 10,000,000*l.* and additional improvements will of course become necessary, but it is estimated that over a period of years an annual provision of 1,250,000*l.* will be sufficient to meet principal and interest charges for expenditure on this account.

(3) No provision has been made in the foregoing figures for the Establishment Costs of the Roads Department of the Ministry of Transport.

## APPENDIX II.

## MINORITY REPORT BY MAJOR STENSON COOKE.

(Secretary, The Automobile Association and Motor Union).

After careful consideration of the arguments raised in support of the removal of the petrol duty and the substitution of taxation per unit of horse power for private motor vehicles, I am satisfied that these proposals are not only unsound in theory, but in practice will operate in an unreasonable and inequitable manner. As representing a large body of motoring opinion I am, therefore, compelled to dissociate myself from the views of the Committee as embodied in their recommendations.

I am convinced that the proposal to remove the petrol duty and substitute a heavy initial tax at a time when the whole motoring industry and community is in an unsettled condition is directly opposed to the interests of the country, and will have a disastrous effect on the development of motoring, particularly when, for instance, such tax will in effect almost quadruple the amount at present payable on a moderate priced utility vehicle.

In dissenting from the decisions of the Committee, I am influenced by such considerations as:—

(a) That despite the proposed heavy increase, which presumably is intended to include the petrol tax already paid by the motorist, the Government are clearly unable to give any guarantee that when the duty is removed the petrol groups will give the consumer the benefit of any permanent reduction in price.

(b) That the payment of a heavy initial tax regardless of the extent to which the vehicle is used will operate unfairly:—

(1) Upon owners of low priced cars of moderate speed. (Powerful cars, costing four times as much as the cheap low powered car usually owned by the motorist of moderate means, will actually pay less in taxation).

(2) Upon persons owning two or three cars, only one of which is on the road at a time.

(3) Upon the large number of owner drivers who, by force of circumstances are, throughout the whole year, only able to use their cars occasionally or at week ends.

(c) That this special taxation of motorists is a road tax, but on the unit system the amount of tax paid bears no true relation to the extent to which the road is used.

(d) That the removal of the petrol duty automatically withdraws the preferential treatment rightly accorded to Benzole, the chief home produced fuel, and thereby strengthens the already powerful grip of the petrol groups upon both industry and user.

(e) That the heavy taxation proposed will discourage motoring, resulting in a reduction in the output of new cars and the restriction of the use of those already existing, with a consequent loss of revenue.

As I understand it, the object of the Minister of Transport in calling together representatives of the industry and the user was to find the best means of obtaining the maximum revenue with a minimum of hardship and irritation to those who have to pay. I am firmly of opinion that neither of these objects will be attained by taxation of the character recommended by the Committee, and in expressing that view I have also in mind the fact that it is much easier to collect a tax accepted as reasonable by the tax payer than to force upon a particular section of the public a tax which is resented as arbitrary and unfair.

Not only do I disagree with the principle of the scheme recommended, but I question the method upon which the amount of the individual tax is arrived at, particularly in relation to private motor vehicles. The total sum required for road purposes is stated, and the individual tax is calculated on an estimate of the total number of vehicles likely to be in use at Midsummer this year (when the output of cars will still be restricted). It is, however, the intention that the proposed new taxes will not be operative until 1921, in which year the number of vehicles will have greatly increased and the individual contribution to the total sum required would be much smaller.

In spite of the arguments raised, I still maintain that as long as this special taxation of vehicles for road revenue is existent, there is no possible justification for imposing the whole burden of such taxation on one particular class of road user, and that all classes of vehicular traffic should contribute their proper quota for road purposes.

In conclusion, I cannot too strongly urge that any increased taxation should be imposed by the continuance of taxation on imported motor spirit on a flat rate basis (excluding all rebates, and thereby reducing the cost of collection to a minimum) plus the reasonable readjustment of the existing vehicle taxes and accompanied by such necessary amendments as (a) the issue of quarterly licences, (b) the transfer of licences from one owner to another where a car or motor cycle changes hands, and (c) abatement of tax on old cars.

I submit that by this means only is it possible effectively and justly to impose this special taxation, the chief essential of which is that each individual tax should be proportionate to, and directly governed by the extent to which the vehicle uses the road.

(Signed) STENSON COOKE,  
Secretary, The Automobile Association  
and Motor Union.

31st March 1920.

## PROPOSED TAXATION OF

TABLE PREPARED BY THE MINISTRY OF TRANSPORT SHOWING THE

*Present Taxes:—(a) Licences.**(b) Petrol Tax (5d. per gallon).*

The petrol companies have stated that upon the abolition of the petrol tax, the cost of petrol to the administration expenses consequent on its levy. In order to ascertain the financial effect on the private into consideration the saving consequent upon such reduction of price. So far as the individual is concerned between the present and proposed bases of taxation, average figures of consumption based on mileage per and this, therefore, should be added to the present licence duty. Under the proposals the additional 1d. imposed on

The following table has been prepared accordingly, the comparisons being based on an estimate of the

NOTE.—The figures in Column 4 of estimated mileage per gallon of petrol have been

R.A.C. Rating	Present H.P. Tax.	Proposed New H.P. Tax.	Estimated Average Miles run per Gallon of Petrol.	Comparison on Basis of 16,000 Miles run per Annum.				Comparison on Basis of per	
				Present H.P. and Petrol Tax.	New H.P. Tax less Saving on Petrol.	Cal. 6 more or less than Col. 5.		Present H.P. and Petrol Tax.	New H.P. Tax less Saving on Petrol.
						More.	Less.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
H.P.	£ s. d.	£ s. d.	Miles.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
59-9	21 0 0	60 0 0	10	46 0 0	55 16 8	9 16 8		39 15 0	56 17 6
58-1	21 0 0	59 0 0	10	46 0 0	54 16 8	8 16 8		39 15 0	55 17 6
53-6	21 0 0	54 0 0	10	46 0 0	49 16 8	3 16 8		39 15 0	50 17 6
49-2	21 0 0	50 0 0	10	46 0 0	45 16 8		0 3 4	39 15 0	46 17 6
48-4	21 0 0	49 0 0	10	46 0 0	44 16 8		1 3 4	39 15 0	45 17 6
46-7	21 0 0	47 0 0	10	46 0 0	42 16 8		3 3 4	39 15 0	43 17 6
45-8	21 0 0	46 0 0	10	46 0 0	41 16 8		4 3 4	39 15 0	42 17 6
45-0	21 0 0	45 0 0	10	46 0 0	40 16 8		5 3 4	39 15 0	41 17 6
43-4	21 0 0	44 0 0	10	46 0 0	39 16 8		6 3 4	39 15 0	40 17 6
40-2	21 0 0	41 0 0	10	46 0 0	36 16 8		9 3 4	39 15 0	37 17 6
38-7	10 10 0	39 0 0	12	31 6 8	35 10 7	4 3 11		26 2 6	36 7 11
37-2	10 10 0	38 0 0	12	31 6 8	34 10 7	3 3 11		26 2 6	35 7 11
35-7	10 10 0	36 0 0	12	31 6 8	32 10 7	1 3 11		26 2 6	33 7 11
33-5	10 10 0	34 0 0	12	31 6 8	30 10 7		0 16 1	26 2 6	31 7 11
32-2	8 8 0	33 0 0	12	29 4 8	29 10 7	0 5 11		24 0 6	30 7 11
30-1	8 8 0	31 0 0	12	29 4 8	27 10 7		1 14 1	24 0 6	28 7 11
29-5	8 8 0	30 0 0	12	29 4 8	26 10 7		2 14 1	24 0 6	27 7 11
28-1	8 8 0	29 0 0	12	29 4 8	25 10 7		3 14 1	24 0 6	26 7 11
26-9	8 8 0	27 0 0	12	29 4 8	23 10 7		5 14 1	24 0 6	24 7 11
25-33	6 6 0	26 0 0	15	22 19 4	23 4 6	0 5 2		18 16 0	23 18 4
24-8	6 6 0	25 0 0	15	22 19 4	22 4 6		0 14 10	18 16 0	22 18 4
23-8	6 6 0	24 0 0	15	22 19 4	21 4 6		1 14 10	18 16 0	21 18 4
22-4	6 6 0	23 0 0	15	22 19 4	20 4 6		2 14 10	18 16 0	20 18 4
21-9	6 6 0	22 0 0	15	22 19 4	19 4 6		3 14 10	18 16 0	19 18 4
21-0	6 6 0	21 0 0	15	22 19 4	18 4 6		4 14 10	18 16 0	18 18 4
19-6	6 6 0	20 0 0	15	22 19 4	17 4 6		5 14 10	18 16 0	17 18 4
18-8	6 6 0	19 0 0	15	22 19 4	16 4 6		6 14 10	18 16 0	16 18 4
17-5	6 6 0	18 0 0	15	22 19 4	15 4 6		7 14 10	18 16 0	15 18 4
16-3	6 6 0	17 0 0	15	22 19 4	14 4 6		8 14 10	18 16 0	14 18 4
15-9	4 4 0	16 0 0	20	16 14 0	13 18 4		2 15 8	13 11 6	14 8 9
14-3	4 4 0	15 0 0	20	16 14 0	12 18 4		3 15 8	13 11 6	13 8 9
13-6	4 4 0	14 0 0	20	16 14 0	11 18 4		4 15 8	13 11 6	12 8 9
12-8	4 4 0	13 0 0	20	16 14 0	10 18 4		5 15 8	13 11 6	11 8 9
11-5	3 3 0	12 0 0	25	13 3 0	10 6 8		2 16 4	10 13 0	10 15 0
10-8	3 3 0	11 0 0	25	13 3 0	9 6 8		3 16 4	10 13 0	9 15 0
9-8	3 3 0	10 0 0	25	13 3 0	8 6 8		4 16 4	10 13 0	8 15 0
8-0	3 3 0	9 0 0	25	13 3 0	7 6 8		5 16 4	10 13 0	7 15 0
7-8	3 3 0	8 0 0	25	13 3 0	6 6 8		6 16 4	10 13 0	6 15 0
6-5	2 2 0	7 0 0	30	10 8 8	5 12 3		4 15 9	8 7 0	5 19 2

## DIX III.

## PRIVATE MOTOR CARS.

## RELATIVE BURDEN OF THE PRESENT AND PROPOSED TAXATION.

New Tax:—1*l*. per H.P. (R.A.C. rating).  
No Petrol Tax.

consumer will be reduced by 7*d*. per gallon, 6*d*. being the tax, and the additional 1*d*. being in respect of motor car owner of the proposed 1*l*. per H.P. tax, and abolition of the petrol tax, it is necessary to take this saving will of course depend upon the actual amount of petrol consumed, but for the purpose of comparison gallon, and total mileage run must be taken. At present the owner indirectly pays the 6*d*. per gallon tax, per gallon mentioned above must be deducted from the 1*l*. per H.P. tax in order to arrive at the burden the motorist.

average mileage run per gallon of petrol, on total mileages of 10,000, 7,500, 5,000 and 2,500 miles per annum, arrived at from information furnished by garages and other sources as being a fair average.

7,500 Miles run per Annum.			Comparison on Basis of 5,000 Miles run per Annum.						Comparison on Basis of 2,500 Miles run per Annum.					
Col. 10 more or less than Col. 9.			Present H.P. and Petrol Tax.		New H.P. Tax less Saving on Petrol.		Col. 14 more or less than Col. 13.		Present H.P. and Petrol Tax.		New H.P. Tax less Saving on Petrol.		Col. 18 more or less than Col. 17.	
More. 11.	Less. 12.		13.	14.	15.	16.			17.	18.			More. 19.	Less. 20.
£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.			£ s. d.	£ s. d.			£ s. d.	£ s. d.
17 2 6			38 10 0	57 18 4	24 8 4				27 5 0	58 19 2	31 14 2			
16 2 6			38 10 0	56 18 4	23 8 4				27 5 0	57 19 2	30 14 2			
11 2 6			38 10 0	51 18 4	18 8 4				27 5 0	52 19 2	25 14 2			
7 2 6			33 10 0	47 18 4	14 8 4				27 5 0	48 19 2	21 14 2			
6 2 6			33 10 0	46 18 4	13 8 4				27 5 0	47 19 2	20 14 2			
4 2 6			33 10 0	44 18 4	11 8 4				27 5 0	45 19 2	18 14 2			
3 2 6			33 10 0	43 18 4	10 8 4				27 5 0	44 19 2	17 14 2			
2 2 6			33 10 0	42 18 4	9 8 4				27 5 0	43 19 2	16 14 2			
1 2 6			33 10 0	41 18 4	8 8 4				27 5 0	42 19 2	15 14 2			
	1 17 6		33 10 0	38 18 4	5 8 4				27 5 0	39 19 2	12 14 2			
10 5 5			20 18 4	37 5 4	16 7 0				15 14 2	38 2 8	22 8 6			
9 5 5			20 18 4	36 5 4	15 7 0				15 14 2	37 2 8	21 8 6			
7 5 5			20 18 4	34 5 4	13 7 0				15 14 2	35 2 8	19 8 6			
5 5 5			20 18 4	33 5 4	11 7 0				15 14 2	33 2 8	17 8 6			
6 7 5			18 16 4	31 5 4	12 9 0				13 12 2	32 2 8	18 10 6			
4 7 5			18 16 4	29 5 4	10 9 0				13 12 2	30 2 8	16 10 6			
3 7 5			18 16 4	28 5 4	9 9 0				13 12 2	29 2 8	15 10 6			
2 7 5			18 16 4	27 5 4	8 9 0				13 12 2	28 2 8	14 10 6			
0 7 5			18 16 4	25 5 4	6 9 0				13 12 2	26 2 8	12 10 6			
5 2 4			14 12 8	24 12 3	9 19 7				10 9 4	25 6 2	14 16 10			
4 2 4			14 12 8	23 12 3	8 19 7				10 9 4	24 6 2	13 16 10			
3 2 4			14 12 8	22 12 3	7 19 7				10 9 4	23 6 2	13 16 10			
2 2 4			14 12 8	21 12 3	6 19 7				10 9 4	22 6 2	11 16 10			
1 2 4			14 12 8	20 12 3	5 19 7				10 9 4	21 6 2	10 16 10			
0 2 4			14 12 8	19 12 3	4 19 7				10 9 4	20 6 2	9 16 10			
	0 17 8		14 12 8	18 12 3	3 19 7				10 9 4	19 6 2	8 16 10			
	1 17 8		14 12 8	17 12 3	2 19 7				10 9 4	18 6 2	7 16 10			
	2 17 8		14 12 8	16 12 3	1 19 7				10 9 4	17 6 2	6 16 10			
	3 17 8		14 12 8	15 12 3	0 19 7				10 9 4	16 6 2	5 16 10			
0 17 3			10 9 0	14 19 2	4 10 2				7 6 6	15 9 7	8 3 1			
	0 2 9		10 9 0	13 19 2	3 10 2				7 6 6	14 9 7	7 3 1			
	1 2 9		10 9 0	12 19 2	2 10 2				7 6 6	13 9 7	6 3 1			
	2 2 9		10 9 0	11 19 2	1 10 2				7 6 6	12 9 7	5 3 1			
0 2 0			8 3 0	11 5 4	3 0 4				5 13 0	11 11 8	5 18 8			
	0 18 0		8 3 0	10 5 4	2 0 4				5 13 0	10 11 8	4 18 8			
	1 18 0		8 3 0	9 5 4	1 0 4				5 13 0	9 11 8	3 18 8			
	2 18 0		8 3 0	8 5 4	0 0 4				5 13 0	8 11 8	2 18 8			
	3 18 0		8 3 0	7 5 4			0 19 8		5 13 0	7 11 8	1 18 8			
	2 7 10		6 5 0	6 6 2	0 1 2				4 3 6	6 13 1	2 9 7			

